# Evaluating Customer Satisfaction and Brand Perception of an Apparel Retailer

Honors Undergraduate Thesis

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By:

Willis Day

Undergraduate Degree in Business Administration with a Specialization in Marketing

Dissertation Committee:

Prof. Ralph Greco, Advisor

Dr. Roger Bailey, Advisor

The Ohio State University

Max M. Fisher College of Business

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## Abstract

This research focuses on a US-based manufacturer and retailer of vintage-inspired apparel. The firm's success to this point has always been predicated on supreme comfort and quality, as well as unique and differentiated apparel designs. To maintain the strength of the brand, it is important for this growing firm to evaluate how it is perceived by its customers and continuously improve when opportunities arise. To this end, this research project investigates how the firm's customer base perceives its products, services, and other features of the company. Internal transactional records of online and brick-and-mortar purchases over the last two years were analyzed to summarize the current customer base and uncover general patterns and trends in purchase activity. Secondly, 428 survey responses were collected from customers to learn about their personal experiences with the brand. The firm had a few hypotheses about areas where they could better serve their customers, including perceptions of clothing "fit" and product availability, and these were explored in the survey research. While some of the results from the research were in line with prior expectations and previous research, this analysis identified new opportunities for the brand to make improvements and better serve its customers. Overall, these results will help inform and formulate strategies to achieve the firm's main business objectives: growing its current customer base, engaging and serving the needs of its current customers, improving customers' brick and mortar and ecommerce experiences, and most importantly, maintaining the reputation of the brand.

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**Vita**

May 2015 ......................................................Grandview Heights High School

May 2019 ......................................................BSBA Finance, The Ohio State University

Fields of Study:

Major Field: Business Administration; Marketing

Minor Field: Business Analytics

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## Introduction

Apparel retail is a fiercely competitive industry. In a market where consumers have infinite choices across all brands and mediums, a firm must differentiate itself in the consumer's mind to stay competitive. This includes attracting customers, fostering brand loyalty, constantly adapting to new consumer trends and demands, and satisfying customers through all stages of the customer journey. For any brand to find success in these aspects, it is critical to have a great understanding of its customers. The firm in question has seen tremendous success over the years but has not conducted much formal research throughout its existence. As the firm continues to expand into new product categories and consumer markets, it is imperative that it gains a greater understanding of its customers. This research explores customer perceptions of and experiences with the brand across a wide variety of topics critical for success in the apparel retail industry.

## Literature Review

### *The impact of word of mouth on intention to purchase currently used and other brands*

As a starting point for this research, previous research conducted by the firm was reviewed and analyzed. This research indicated that word of mouth was the leading driver of brand awareness for the firm. Research in this area by East, Romaniuk, Chawdhary and Uncles (2017) measures the impact of positive word of mouth (PWOM) and negative word of mouth (NWOM) on customer acquisition and retention. Results from this research estimate that "PWOM has approximately twice as much effect in recruiting new customers as it does in retaining existing customers," while NWOM is estimated to have "more than four times as much effect in deterring people from buying new brands as it has in deterring people from rebuying current brand." In both cases, we understand the power of word of mouth and how critical of a role it can play in acquiring, or failing to acquire, new customers.

*Dangers of frequent price promotions*

Price promotion is a critical aspect to the apparel retail industry, and literature in this area suggests an excess frequency of price promotions can have very damaging long-term effects on a brand (Yi & Yoo 2011). In addition to the erosion of margins from each sale on promotion, frequent promotions can lower a consumer's reference price for a product, leading to discrepancies in the future between their new reference price and the observed full list price (Winer 1986). Frequent exposure to promotions can lead consumers always expect promotions, which trains them to only purchase on promotion, leading to brand damage and lower demand for products at full price (Kalwani & Yim 1992). The brand in question is quite promotional, so it will be important to try and learn about how customers perceive their interaction with promotions from the brand.

## Situational Analysis

The firm in question is a US-based manufacturer and retailer of vintage-inspired apparel. The firm has several retail locations but does a majority of its business online (70% revenue). The firm pursues a differentiation strategy with its product offering, offering apparel in a wide range of product categories. Most of its apparel has graphics relating to sports, pop culture, and entertainment, but the brand also offers graphic-less clothing. Its apparel is priced at a premium to the market, but the brand is very promotional, offering discounts and bundles frequently. The brand communicates these promotions daily through their email newsletter as well as on their online website. The brand is also very active on digital social platforms such as Instagram, Facebook, and Twitter.

The firm's customer base is concentrated in one region but has expanded its online customer base across the country. Much of its products are tailored to local organizations, but as the firm has grown it has expanded its apparel products to appeal to more segments of customers. Additionally, most graphic apparel products referencing entertainment and pop culture topics are not geared toward a specific geographic segment, thus appealing to a broader range of customers. Its customers skew towards more affluent, middle-aged customers (ages 25-45).

The firm has a unique position in a crowded apparel retail industry. Its diverse product offering presents the company with a range of competition for specific product types. At a basic level of competition, any apparel retailer whose products feature similar organizations or topics can be considered a competitor to the brand. The brand's graphic-less clothing faces competition from other retailers, but the competition is not extremely fierce.

## Business Problems & Hypotheses

This research focused on a wide variety of topics relating to consumer's experiences with the brand. A few of these research questions are areas previous researched by the firm, and we intend on comparing results from this research to previous research. Little research has been conducted in some areas, therefore much of this research will be descriptive and diagnostic.

Additionally, due to the breadth of topics covered and limited amounts of previous research conducted by the firm, each topic could be not explored as deeply as desired. However, it is important for this first step to be taken in research to outline important areas to explore deeper. We outline specific areas worth researching further in a later section of the paper. Each of the following business questions were addressed in the survey.

### *What are drivers for brand awareness?*

In previous research, we learned that positive word of mouth and seeing someone wearing clothes from the brand were the top two drivers of brand awareness among customers, so we are interested to see if these have changed as the business has grown.

Additionally, we are interested to see how digital forms of brand awareness (searching online, social media, etc.) have changed since the last research was conducted in 2017.

*How do customers perceive the performance of the brand across landscapes of product, online purchase experiences, and in-store retail purchase experiences?*

For product perceptions, we are especially interested in perceptions of product "fit." The firm underwent changes in suppliers as capacity grew over the past few years, so we are interested in how customers perceive the fit of clothing. We are also interested to see how customers perceive other factors like comfort, quality and design, as these factors are foundational to the value proposition of the brand's product offering.

For online experiences, we are interested to see how customers perceive the performance factors related to online shopping and learn about any issues customers may be experiencing. Shifting to in-store experiences, in-store atmosphere of the firm has shaped the brand since its beginning, and we expect high levels of satisfaction with factors related to the in-store experience.

*How can the brand improve customers' shopping experiences online and in-store?*

To learn about potential improvements, we are asking customers to give their honest recommendations for ways to improve their shopping experiences.

*What are drivers for customer retention and repurchases?*

We are interested to see why customers choose to make second, third, etc. purchases from the brand. We expect their reasons to be related to any favorable ratings in performance perceptions.

*How do customers interact with promotions from the brand?*

The brand is quite promotional, and from our learnings in the literature review, we are aware of the dangers of frequent monetary promotions. We are interested in learning about customers' feelings and perceptions towards promotions from the brand, how they interact with promotions, and how they like to be contacted by the brand to learn about promotions.

*How well are customers aware of new products, and what are their perceptions and purchase intentions of this new product category?*

Since this research question investigates a newer product category, we do not have much previous research to review. We are interested in customer awareness and purchase intentions of this new product category, along with reasons why they would or would not purchase one of these products.

## Methodology

*Research Design*

The first step was an exploratory analysis of customer transaction data over the past two years. The goal of this step was to gain a greater understanding of both customers and the firm. After discussing key takeaways from the EDA with the firm's leadership team, we decided on the most important customer-facing questions relative to the firm to include in the survey. Survey questions were then developed to inform the six business questions outlined in the hypothesis section.

*Data Collection Method*

The transaction data was provided by the firm using their internal ERP databases. This data contained three databases of customers, products, and orders. The survey was administered through Qualtrics and was deployed to random selections of customers in an email. The survey was deployed from November 2018 until January of 2019. The survey was incentivized with a 20% discount code for the respondent's next purchase.

*Sample Size*

The internal databases contained two years of transactional data from online and brick and mortar purchases (457,412 unique orders). This data also contained databases of customers (223,757 unique customers) and products (38,589 SKU's).

The participants for the survey were existing customers of the firm who opted to take the survey. 428 responses to the survey were collected, which yields a confidence interval of +/- 4.7% at a 95% confidence level. Table 1 displays the demographics of the survey.

**Table 1**

| Survey Demographics | |
|---|---|
| Gender | |
| Male | 58% |
| Female | 41% |
| Prefer not to answer | 3% |
| Age | |
| Under 25 | 6% |
| 25 – 34 | 50% |
| 35 – 44 | 34% |
| Over 45 | 10% |

The demographics of the respondent base skew male and represent middle-aged customers. This is representative of the customer base overall.

The purchase history of customers over the past two years displays the distribution of customer purchases by number of purchases online and in-store.

**Table 2**

How many purchases have you made in the past two years, both online and in-store?

| | Online Purchases | | | | | | |
|---|---|---|---|---|---|---|---|
| Retail Purchases | 0 | 1 | 2 | 3 | 4 | 5+ | Total |
| 0 | 0 (0%) | 21 (4.9%) | 21 (4.9%) | 18 (4.2%) | 30 (7.0%) | 39 (9.1%) | 129 |
| 1 | 1 (0.2%) | 11 (2.6%) | 7 (1.6%) | 15 (3.5%) | 11 (2.6%) | 24 (5.6%) | 69 |
| 2 | 3 (0.7%) | 7 (1.6%) | 17 (4%) | 12 (2.8%) | 14 (3.3%) | 25 (5.8%) | 78 |
| 3 | 2 (0.5%) | 9 (2.1%) | 5 (1.2%) | 8 (1.9%) | 7 (1.6%) | 23 (5.4%) | 54 |
| 4 | 2 (0.5%) | 3 (0.7%) | 6 (1.4%) | 1 (0.2%) | 5 (1.2%) | 5 (1.2%) | 22 |
| 5+ | 5 (1.2%) | 5 (1.2%) | 9 (2.1%) | 8 (1.9%) | 7 (1.6%) | 42 (9.8%) | 76 |
| Total | 13 | 56 | 65 | 62 | 74 | 158 | 428 |

Customer distribution skewed toward more online-heavy customers, which is expected given that the brand does much of its business online. Additionally, we see that 30.1% of customers (129/428) have only shopped online, while only 3.0% of customers (13/428) have not made an online purchase. We would expect a decent number of customers to only purchase online, as many may not live near a retail store. Overall, this sample appears to represent the overall customer base well.

## Data Analysis

### *Transactional Analysis*

As mentioned above, the transactional analysis was part of the exploratory data analysis phase. While this analysis helped us learn more about the firm, its products, customers, and more, we only used takeaways from this analysis to guide discussions to ultimately develop questions for survey. Thus, we did not develop any conclusive results from this phase.

*Survey Analysis*

Each survey question was analyzed descriptively. For nominal survey questions, tables were created to show percentages for each response. For text responses, all responses were read individually, and then word and phrase counts were completed to summarize the most frequent words and phrases. For questions that were previously researched by the firm, we compared results when applicable to observe changes over time.

## Results

*Drivers for brand awareness and first purchase*

Customers were asked how they first became aware of the brand. Responses are summarized in the table below, and percentages are compared to previous research findings.

**Table 3**

How did you FIRST learn about the brand?

| | 2019 | 2017 | 2016 |
|---|---|---|---|
| Someone told me about it | 35% | 34% | 38% |
| Saw someone wearing a product | 16% | 13% | 13% |
| Social media | 15% | 6% | 9% |
| Searching online | 13% | 5% | 7% |
| Noticed a store window | 7% | 9% | 8% |
| Gift | 4% | 4% | N/A |
| Other | 10% | 29% | 25% |
| Total Responses | 428 | ~1000* | ~1000* |

*Previous research was conducted by a 3rd party and did not include a number of total respondents, ~1000 was estimated by the firm

Customers indicated that being told about the brand by a friend, relative, or someone else was the most frequent form of "first brand awareness" at 35%. The second most frequent form of brand awareness was seeing someone wearing clothing from the brand (16%). Comparing to previous research, the top two forms of awareness were consistent, whereas digital mediums like social media and searching online grew.

Respondents were asked why they purchased their first product, and choices were adjusted slightly based on if their first purchase was in-store or online. Respondents were able to select more than one choice. Responses are summarized below in Table 4.

**Table 4**

Why did you purchase this first product? (Select all that apply)

| | First purchase location | |
|---|---|---|
| | In-store | Online |
| I liked the design/graphics | 84.9% | 87.6% |
| The product felt comfortable **OR** seemed like it would be comfortable | **70.5%** | **35.2%** |
| The product fit me well **(In-store only)** | 30.2% | N/A |
| I saw someone else wearing the same product and wanted one for myself | 15.1% | 10.9% |
| I purchased the product in advance of an event | 10.1% | 9.3% |
| Someone recommended the product to me | 8.6% | 7.3% |
| The product was at an attractive price | 7.9% | 8.8% |
| The product was on promotion/I had a coupon | **7.2%** | **16.1%** |
| Other, please specify: | 5.0% | 2.1% |
| Total Respondents | 139 | 193 |

*Only respondents whose first purchase was in-store were asked if the product fit well

Design and comfort (or perceived comfort) were the top drivers for first purchase. Additionally, we can see that comfort was twice as likely to be a driver for first purchase when the customer could feel the product as compared to solely viewing the product online. This should not come as much of a surprise, as we would expect comfort to be a more likely driver when customers can physically feel the product. On the flip side, a promotion or coupon was more than twice as likely to drive a first purchase online compared to in-store. Lastly, the top two forms of brand awareness, PWOM and seeing someone else wearing a product, were related to drivers for first purchase: recommendations/PWOM were drivers in 8.6% of first purchases in-store and 7.3% of first purchases online, while seeing someone else wearing the product was a driver in 15.1% of first purchases in-store and 10.9% of first purchases online.

*Perceptions of performance across product, online experiences, and in-store experiences*

Customers were asked how they believed the firm performed on product-related factors of comfort, quality, design/graphics, fit, and price. The responses are summarized in the Table 5.

**Table 5**

Please rate how you believe the brand performs on the following factors:

| | Excellent | Good | Average | Poor |
|---|---|---|---|---|
| Comfort | 93.2% | 6.8% | 0.0% | 0.0% |
| Quality | 76.9% | 20.6% | 2.1% | 0.4% |
| Design/Graphics | 73.4% | 23.4% | 2.6% | 0.6% |
| **Fit** | **50.5%** | **38.8%** | **7.9%** | **2.8%** |
| Price | 10.5% | 53.3% | 27.8% | 8.4% |

*All respondents were shown this question (n=428)

Customers are very satisfied with the comfort, quality, and design of apparel products from the brand. These factors are foundational to the brand's success, and while we expected these results, it is still very positive to see that customers are still very satisfied with these aspects. Fit was rated considerably lower than the above factors. Going into the research, we knew that the retailer had gone through changes in suppliers as the brand grew, and these ratings appear to reflect less favorable opinions of the fit, given that we might hope or even expect comfort, quality and fit to be rated more similarly. Price was the lowest rated, but it may not be cause for concern. For a premium-priced brand, we might not expect consumers to think prices are “excellent.”

Customers who had made an online purchase were asked how they believed the firm performed on the following online shopping performance factors: merchandise imagery, checkout process, product descriptions, website navigation, variety of selection, and availability of sizes. The responses are summarized in the table below.

**Table 6**

Please rate how you believe the brand performs on the following online shopping factors:

| | Excellent | Good | Average | Poor |
|---|---|---|---|---|
| Merchandise images | 69.4% | 28.0% | 2.6% | 0.0% |
| Checkout process | 64.6% | 30.8% | 3.6% | 1.0% |
| Product descriptions | 64.1% | 30.6% | 5.1% | 0.2% |
| Website navigation | 55.4% | 39.5% | 4.3% | 0.8% |
| Variety of selection | 53.5% | 36.6% | 9.2% | 0.7% |
| **Availability of sizes** | **37.4%** | **36.9%** | **19.7%** | **6.0%** |

*Respondents were shown this question if they had made at least one online purchase in past two years (n=415)

For factors strictly related to the user experience for online shopping (imagery, checkout, product descriptions, and navigation), the brand performs very well, indicating a solid, user-friendly website. Variety of selection is also rated well, indicating satisfaction with regards to product diversity within and across categories. Product availability is rated lower than we might hope or expect. Clearly, product availability is critical for success in online retail, and lower ratings for this factor should not be ignored. However, it should be noted that the survey was deployed during the holiday season, which could potentially have led to more frequent stockouts and thus, these ratings may not be as indicative of the brand's availability online year-round. This being said, even during busy times, we might hope to see higher ratings. This topic is explored deeper in the next section with text responses.

Customers who had made an in-store purchase were asked how they believed the firm performed on the following in-store shopping performance factors: store atmosphere, customer service, in-store promotions, availability of sizes, and variety of selection. The responses are summarized in the table below.

**Table 7**

Please rate how you believe the brand performs on the following in-store shopping factors:

| | Excellent | Good | Average | Poor |
|---|---|---|---|---|
| Store atmosphere | 74.3% | 23.1% | 2.6% | 0.0% |
| Customer service | 72.2% | 24.5% | 3.3% | 0.0% |
| In-store promotions | 42.5% | 39.8% | 16.4% | 1.3% |
| Availability of sizes | 40.8% | 47.5% | 10.7% | 1.0% |
| Variety of selection | 37.8% | 46.8% | 13.7% | 1.7% |

*Respondents were shown this question if they had made at least one in-store purchase in past two years (n=299)

Store atmosphere and customer service are rated very well by customers. These aspects of in-store shopping are foundational to the brand's success through the years, and it is positive to see that the brand has continued to deliver on its key value propositions as the company has grown. Variety of selection ratings, while lower than other factors, might not be cause for concern given that physical store locations simply cannot have the same variety as online. Given that 95.7% (286/299) of customers who saw this question had made an online purchase in the past two years, we may be able to attribute these ratings to a lack of selection in-store as compared to online. Availability of sizes was rated more favorably for in-store shopping than online, however, if the brand is not satisfied with these ratings, it may be worthwhile to investigate if product availability at retail locations is an issue. These topics are explored deeper in the next section with text responses.

*Suggested improvements for online and in-store shopping experiences*

Customers were asked if they had any recommendations for the firm to improve shopping experiences online and in-store. Customers who had made at least one purchase at the location (either online or in-store) were given the opportunity to provide a recommendation. The question was an open text response, and after reading all responses, word frequencies were calculated for each question. The top word frequencies are summarized in the table below:

**Table 8**

| Online improvements | | In-store improvements | |
|---|---|---|---|
| | Frequency | | Frequency |
| sizes | 27.6% | online | 21.0% |
| items | 11.8% | selection | 15.1% |
| size | 11.4% | variety | 12.6% |
| stock | 11.0% | sizes | 12.6% |
| like | 10.5% | stores | 10.1% |
| sometimes | 10.1% | *[Location of company]* | 8.4% |
| available | 9.2% | just | 8.4% |
| online | 8.3% | available | 8.4% |
| easier | 7.0% | items | 7.6% |
| sold | 6.6% | locations | 7.6% |
| | (n=228) | | (n=119) |

Words relating to product availability (sizes, items, size, stock, etc.) were used most frequently to describe recommendations for improvement, and this same dissatisfaction was expressed earlier in performance ratings for online shopping. The brand is very in touch with current events in sports and pop culture and will frequently release new products in reaction to these events. While these products have strong demand and are loved by consumers, it can be difficult to predict demand, which can lead to stockouts. Customers specifically mentioned frustration with availability of “new” and “hot” items, which illustrates the impact of stockouts of new, desired products. Additionally, customers experienced frustration when clicking on a sale item to learn that all sizes were out of stock.

For in-store shopping, variety of selection and availability of sizes, (specifically XL, XXL and 3XL), were the most common topics for recommendation. As mentioned earlier, retail stores can’t hold the same variety of selection that an online website can, nor can they make “new, hot” products mentioned above available as quickly as they can online. While selection is harder to address, availability of sizes for products stocked in-store is an issue that may require more immediate attention. If customers experience size availability issues in a store, it could discourage them from shopping in-store in the future.

*Drivers for repurchase and customer retention*

To learn about drivers for retention, customers were simply asked why they decided to make future purchases from the brand. The question was an open text response, and after reading all responses, word frequencies were calculated for each question. The top word frequencies are summarized in Table 9.

**Table 9**

| | Frequency |
|---|---|
| comfort | 32.3% |
| quality | 26.4% |
| designs | 26.4% |
| love | 20.9% |
| comfortable | 15.0% |
| design | 14.0% |
| shirts | 13.3% |
| fit | 13.1% |
| like | 12.1% |
| clothing | 11.6% |

(n=406)

Customers' reasons to repurchase reflected favorable attitudes towards product factors of comfort, quality, and design. These factors are foundational to the firm's success, and it is positive to see that the top three most frequently used words reflect the core value propositions of the firm's product offering. Additionally, while used less frequently than comfort, quality and design, fit was still one of the most frequently used words explaining reasons to repurchase.

*Promotional behavior and perceptions*

Respondents were asked about three topics related to promotions: preferred method of communication with promotions, feelings toward perceived frequency of promotions, and perceptions of their interactions with promotions. The brand reaches out to consumers with promotions largely through its email newsletter. The brand sends general promotions daily, and additionally will send targeted emails to customers promoting products similar to others purchased in the past.

Customers were asked about their preferred mediums of communication for new arrivals, sales, promotions, etc. The results are summarized in the table below. Respondents could select more than one choice.

**Table 10**

How do you like to be contacted by the brand with new arrivals, limited edition styles, seasonal items, promotions, sales, etc.?

| | 2019 | 2017 | 2016 |
|---|---|---|---|
| Email | 92% | 89% | 84% |
| Instagram | 35% | 42% | 41% |
| Facebook | 21% | 35% | 41% |
| Twitter | 17% | 29% | 26% |
| Text messages | 11% | 14% | 12% |
| Direct mail | 10% | 10% | 16% |
| Total responses | 428 | ~1000* | ~1000* |

*Previous research was conducted by a 3rd party and did not include a number of total respondents, ~1000 was estimated by the firm

Email is preferred by a substantial percentage of customers, and these results are stable from previous research. These results are positive given the frequency of communications with customers through the online newsletter.

Customers were asked how often they perceived they were contacted by email with promotions, and subsequently were asked about their feelings towards the frequency of contact. Responses to these two questions are summarized in the table below.

**Table 11**

| | % | Contacted 1 or more times per day | # |
|---|---|---|---|
| Too frequently | 29.2% | 80.8% | 125 (101) |
| An adequate amount | 67.5% | 45.7% | 289 (132) |
| Not enough | 3.3% | 56.8% | 14 (8) |
| Total | | | 428 |

Nearly 3 out of 10 customers reported they are contacted too frequently with email promotions, and 80.8% of these respondents indicated they were contacted around one or more times per day. A majority of customers (67.5%) reported that they are contacted adequately with email promotions, and 45.7% of these respondents indicated they were contacted around one or more times per day. Only 3.3% of customers indicated that they were not contacted frequently enough with promotions. Customers can opt out of email newsletters if they wish, thus, the brand should be aware of the customers who feel the frequency of promotions is "too frequent." This being said, all customers who responded to the survey consequently must be active subscribers of the newsletter. With this in mind, we might conclude that from a customer's perspective, the current level of frequency overall is adequate.

Customers were asked about their perceptions of how they interact with promotions from the brand. While the last question assessed the level of frequency from the customer's perspective, we now investigate customer purchasing behavior with promotions to gain perspective on the firm side. Responses to this question are summarized Table 12.

**Table 12**

Which of the following statements best describes your shopping behavior with promotions from the brand?

| | Respondents | % |
|---|---|---|
| I buy something from the brand if I like it, regardless of it is on sale or not | 111 | 25.9% |
| If I see something I like from, I will sometimes wait for a promotion to purchase it | 258 | 60.3% |
| I only purchase products from the brand when they are on promotion | 59 | 13.8% |
| Total | 428 | 100% |

Around a quarter of respondents (25.9%) indicated that they will purchase a product if they like it, regardless of if it is on sale or not. The other 74.1% of respondents indicated that they will sometimes wait for a promotion (60.3%) or only purchase on promotion (13.8%). From the firm's perspective, it may be sending such a magnitude of promotions that some customers are effectively being trained to wait for promotions to make a purchase. Since this topic was not investigated in previous research, we can not make any sort of conclusion about if the frequency of promotions has led to this behavior. This being said, if the brand is worried about the percentage of customers who always (13.8%) or sometimes wait for a promotion (60.3%), it may be worthwhile to reevaluate its level of promotional activity.

*New product category awareness, perceptions, and purchase intentions*

The brand launched a new product category of graphic-less clothing recently, and this section of research sought to assess awareness and purchase intentions of this category, as well as reasons why customers would or would not want to purchase one of these products. 50.5% of customers (216/428) were aware of this new category, and those who were unaware were screened out of the next set of questions. Purchase intentions of this product category are summarized in the table below.

**Table 13**

Customer purchase intentions of new product category

| | Respondents | % |
|---|---|---|
| Already purchased before | 90 | 41.7% |
| Would consider purchasing | 53 | 24.5% |
| Would MAYBE consider purchasing | 61 | 28.2% |
| Would NOT consider purchasing | 12 | 5.6% |
| Total | 216 | 100% |

*Only respondents who were aware of the product category (n=216) were asked about their purchase intentions

Purchase intentions were positive for customers who were aware of the category, with 41.7% of customers who had already purchased at least one product in this new category.

Additionally, 52.7% would consider (24.5%) or would maybe consider purchasing (28.2%), while only 5.6% of those aware of this category would definitively not consider purchasing a product.

Customers aware of the product category were next asked about reasons why they would or would not purchase one of these products. The question was an open text response, and word frequencies were calculated for each question. The top word frequencies are summarized in the table below:

**Table 14**

Reasons to purchase

| | Frequency |
|---|---|
| comfort | 26.7% |
| comfortable | 16.7% |
| quality | 16.7% |
| love | 16.7% |
| like | 12.2% |
| fit | 11.1% |
| wear | 10.0% |
| go-to | 8.9% |
| plain | 8.9% |

(n = 90)

Reasons NOT to purchase

| | Frequency |
|---|---|
| price | 21.0% |
| like | 9.4% |
| plain | 8.7% |
| none | 7.2% |
| don’t | 7.2% |
| need | 6.5% |
| expensive | 6.5% |
| designs | 5.1% |
| high | 4.3% |

(n=138)

*Frequency is the number of text responses which contained the word

Customers were interested in purchasing from the product category for the same reasons of comfort and quality we saw earlier, and it is positive to see that customers see the same values of comfort and quality in graphic-less products as they do with normal graphic products. Price appears to be the biggest barrier to those who would not purchase one of these product; however, this does not necessarily mean prices are too high. It may be more indicative of the fact that some customers have lower price expectations of graphic-less clothing due to the abundance of cheaper alternatives, and customers who buy products from the brand mostly for the graphics aspect may not see as much value in a graphic-less product.

## Discussion

Awareness for the brand is driven by its customers. Although the firm is active on social media and is easily found through digital methods, its customers are its biggest advocate and are the driving force of brand awareness (PWOM accounts for 35% of awareness and seeing someone wearing the product accounts for 16% of awareness). We know from the literature review that positive word of mouth plays a huge role in customer acquisition, which is very positive for the firm *if* customers are satisfied. However, we also know that NWOM can also play a huge role in deterring new customers from making a first purchase. Thus, the brand must treat the satisfaction of its customers as one of its most important assets.

Comfort, quality, and graphics of apparel products make the brand what it is. Through its years of existence, these factors have defined the brand's products, and it is very positive to see that customers are still very satisfied with these factors. These factors play key roles in brand awareness, customer acquisition, customer retention, and adoption of new product categories, and it is imperative that the brand continues to deliver on these value propositions to succeed in the future. Conversely, the fit of apparel products is a factor that the brand likely would like to see rated higher, and this is another key value proposition that the brand must deliver on to see future success.

Nearly 3 out of 4 customers will sometimes wait (60.3%) or always wait (13.8%) for a promotion to purchase a product from the brand. Excess frequency of price promotions can have very damaging long-term effects on a brand, as they erode margins from each sale on promotion, can be a signal to customers that products are not worth their full list price, and can lead customers to always expect promotions, leading them to only purchase on promotion. If these results indicate customers are more impacted by promotions than previously expected, the brand may want to reassess its level of promotional activity.

**Future Research and Limitations**

This research lays out a set of recommendations for the firm over the short-term and long-term horizon. From a short-term, diagnostic perspective, we recommend that the firm investigates perceptions of "fit" in a deeper context to learn why customers are experiencing dissatisfaction. On the same front, we recommend that the firm investigates availability of sizes for online and in-store shopping to see if this is a theme among a broader set of customers. We also recommend that the firm discusses and researches opportunities to improve in-store variety of selection. We know that 96% of customers who purchased in-store also made a purchase online at some point, so customers are clearly aware of the variety of selection offered online compared to in-store. However, the firm would need to consider if it is even logistically possible to diversify its in-store selection to include more "new and hot" items, and additionally if this would actually lead more customers to shop in-store.

From a long-term perspective, this firm must continually research and monitor the experiences and perceptions of its customers across all facets of the customer experience. Customer experiences are tied to word-of-mouth communications, and we know the impact word-of-mouth can have on customer acquisition and retention. The firm must continue to monitor these perceptions and respond when necessary. This leads us to our largest recommendation, which is for the firm to integrate more research opportunities into general business practices. The learnings from this research are extremely valuable, but we must remember that they represent a snapshot in time. Customer research should become a periodic practice for the brand to truly gain a better understanding of its customers.

Clearly there are limitations with this research. Limited previous research gave little data to compare to and limited the depth with which we were able to research each topic. Further, a customer survey can only be so long, and this creates an inherent tradeoff between depth and scope of topics. This research elected to cover many topics, which limited the depth of the research within each research topics.

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